

**New Windsor Telephone Company**  
**ITA Proposed Access Requirement Calculation**  
**Based on Rate of Return Filing in Docket 00-0233 as Adjusted by Staff**

<u>Line #</u>	<u>Description</u>	<u>Source</u>	<u>Amount</u>	<u>Adjustment</u>	<u>Adjusted Amount</u>
<b>Calculation of Total Revenue Requirement</b>					
1	Net Regulated Plant	Form 23A, P 8, Net Plant	\$ 1,448,549	\$ -	\$ 1,448,549
2	Materials and Supplies Inventory	Page 2, 13-Month Average	11,359		11,359
3	Customer Deposits	Form 23A, P 8, 4040	7,446	-	7,446
4	ADIT - Regulated Plant	Form 23A, P 8, 4100 + 4340	168,699	-	168,699
5	Rate Base before Working Capital	line 1 + line 2 - line 3 - line 4			1,283,763
6	Working Capital Requirement				
7	Total Operating Expenses	Form 23A, P 14, Total	436,531	-	436,531
8	Less: Depreciation Expense	Form 23A, P 13, 6560	124,476	-	124,476
9	Total WC Operating Expense	line 7 - line 8	312,055	-	312,055
10	WC OE Requirement	line 9 * 45 / 360			39,007
11	Commission-Ordered Cash Balance Requirement		-	-	-
12	Total Working Capital Requirement	line 10 + line 11			39,007
13	Total Rate Base	line 5 + line 12			1,322,770
14	After-tax Cost of Capital				11.21%
15	Target Net Operating Income	line 24 * line 13			148,283
16	Gross Revenue Conversion Factor	line 37			1.6324
17	Return & Tax Requirement	line 15 * line 16			242,057
18	Total Operating Expenses	Form 23A, P 14, Total	436,531	-	436,531
19	Other Operating Inc and Exp - Net	Form 23A, P 15, 7100	-	-	-
20	Other Operating Taxes	Form 23A, P 15, 7240	1,845	-	1,845
21	Total Expense Requirement	lines 17, 18, & 19	438,376	-	438,376
22	Total Revenue Requirement	line 17+ line 21			680,433
<b>Calculation of Interstate Revenue/Revenue Requirement</b>					
23	Total Federal Revenue Requirement	Cost Study or Avg Sched Calc			\$ 222,931
<b>Calculation of State Revenue Requirement</b>					
24	State Revenue Requirement	Line 22-line 23			\$ 457,502
<b>Calculation of Revenue Sources</b>					
25	Local Revenues	Form 23A, P 10, Total Local Network Service Revenues			\$ 57,471
26	State Subscriber Line Charges	Trial Balance 12/31/00			88,740
27	State High Cost Support	Approved Support-1st year			101,104
28	Imputed Local-1st Yr Local USF Increase	Approved USF schedule			6,385
29	Federal High Cost Loop Support	Trial Balance 12/31/00			21,318
30	Miscellaneous Revenues	Trial Balance 12/31/00			15,137
31	less Interstate B&C Revenues	Trial Balance 12/31/00			-
33	Total Revenue Sources				\$ 290,155
<b>Calculation of State Access Requirement</b>					
34	Total State Access Requirement	Line 24-Line 33			\$ 167,347
35	State special access-(w/mirrored rates)	Trial Balance 12/31/00			3,973
36	State Switched Access Requirement	Line 34-Line 35			\$ 163,374
37	Gross Revenue Conversion Factor	1 / ((1 - .0718) * (1 - .34))			1.6324